THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND FOOD AND CIVIL .SUPPLIES (SHRI AJ1T PANJA): (a) Yes, Sir.

(b) On 31.1.1986, Weights and ures Department of Delhi Adminis-ion weighhed at random 10 bagg out '0 bags issued by Food Corporation of India at it$_s$ Ghavera depot to Delhi State Civil Supplies Corporation for dis-j'ion through fair price shops and found shortages of 24.5 kgs. The ipd Corporation of India is tigatine the matter with a view to fixing rcSDonsibiliy $_{on}$ jt$_s$ employees for their lapse.

The Food Corporation of India has been directed to ensure standardisation of bag* as also 100 per cent weigli-ment of stocks issued.

**Functioning of non-banking finance companies**

111. SHRi KRISHNA KUMAR BIRLA: Will the Minister of FINANCE b$_e$ pleased to state:

(a)whether Government are aware of Sanctioning of non-bsnbing finance the country which are head-towards liquidation devouring the s i :ands of small inve ning into crore$_s$ of rupees;

(b) whether it j$_s$ a fact that according to the 1984 amendment to the Reserve India Act, the non-banking fi- companiej were required to reduce sits within a period of two years in accordance with the provisions of the Act; '

(c) whether any machinery was set up Government to monitor the progress in this regard, if so, what are the details thereof and if not what are the reasons therefor; and

(d) what step$_s$ Government have taken to safeguard the interests of the small de positor., with the non-banking finance companies?

THE MINISTER OF STATE IN THh 'MINISTRY OF FINANCE (SHRl JANARDHAN POOJARI): (a) Complaints had been received about effort-being made by unincorporated bodies inducing unsuspecting public to deposit savings with them and subsequently mismanaging these concerns thereby depriving the depositors of their investments. !n the wake of these complaints a need was fell for controlling the deposit acceptance activity of individuals, firms and other un-incorporated bodie$_s$ and therefor Chapter IH-C of the Reserve Bank of India Act was enacted through the Banking Laws (Amendment) Act, 1986. The above provisions were brought into force with effect from 15th February, 1984. In terms of the above provisions, individuals, firms Or un-incorporated associations of individuals are prohibited from accepting deposits from more than a specified number of depositors.

(b) Yes, Sir.

fc) and (d) In term$_s$ of the provisions-of Chapter III-C of the Reserve Bank of India Act, concurrent jurisdication has been vested in the Reserve Bank of India State Governments for im plementation of the provisions of Chap ter IH-C of the Act. Reserve Bank of India had already requested all the State Governments to create the necessary hinery in this regard. According to the information available with Reserve Bank *of* India the State Governments of West Bengal, Andhra Pradesh, Kerala, Ultn$_r$ Pradesh. Himachal Pradesh and the Union Territory of Delhi have so far taken necessary steps for implementation of the provisions of the Act. The other State Governments|Union Territories have been requested by Reserve Bank of Tndia to take steps for creation of necessary machinery early.

On the basis of the complaint$_s$ it had received and after scrutiny of certain ad-vertisements appearing in the press, Reserve Bank of India, on its own has taken certain steps to apprehend the persons violating the provisions of the Act.

Subsequent to enactment of Chapter llt-C of the Reserve Bank of India Act, there have been several representations from Associations of Shroffs and financiers stating that enforcement of the provisions of Chapter III-C would force them to close down their business. Seven;! unincorporated bodies have also filed writ petition$_s$ in the various High Courts challenging the constitutional validity of ire provisions of the said Chapter. Gve. 50 such petitions filed in the Delhi High Court have been dismissed in December 1985 and the constitutional validity of Chapter III-C $_0$t the Reserve Bank of India Act has been upheld by the Delhi High Court. Some of the«e petitioners have gone in for appeal before the Supreme Court and the matter is *stih-judice.*

Trade deficit

112. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COM-MERCE be pleased to state-.

(a) whether it is a fact thattbe country, is likely ic

(b) if so, to what extent the country will have to draw down on its scarce foreign exchange reserves; and

(c) what is its likely impact on the industrial growth and the inflationary trends in the country and whether rupee devaluation i$_s$ anticipated a$_s$ a result thereof?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL AND SUPPLIES (SHRI P. SHTV SHANKER): (a) It is difficult to precise to state the 1rade deficit with which we will end the financial year 1985-86. However, according to rough estimates the deficit this year is likely to be more than last year.

(b) and (c) Movement in foreign exchange reserves, industrial growth price situation and value of rupee depend on tnanj It is therefore difficult to indicate tbi extent to which the trade de- litii would influence them.

**Average Trade deficit**

113. SHR1 KRISHNA KUMAR ftlRLA: Will the Minister of COM-MERCE be pleased to state:

(a) what i$_s$ the average trade deficit since 19*1.-82 till 1984-85 and what is the present trend of Indian trend and the likely deficit during 1985-86;

(b) to what extent the country has been able to raise commercial loans in the global financial market and how do Government view it in relation to the export performance;

(c) in which field, according to Gov-ernment, India'$_s$ export performance hflS been lacking and do Government consider the release of limited foreign exchange to the manufacturersjexporters for undertaking during the year l'->85-86; export campaigns and organising market research abroad as one of the causes for unsatisfactory export . for ma nee; and

(d) what remedial measures are con-templated by Government to step up ox-ports and to find out new port markets so a$_s$ to augment couairy's resources during the Seventh Plan period?

THE MINISTER OF COMMENCE AND FOOD AND CIVIL SUP-PLIES (SHRI P. SH1V SHANKSR): (a) The annual average trade deficit for 1981-82 to 1984-85 is Rs. 5657.77 axjtres.

According to the provisional <iata available, the trade deficit during April-September, 1985 i$_s$ Rs. 4124.0 crores as compared to the deficit of Rs. 2290.6 orores during April-September. 19*4. According to rough estimates the d«£cit thi$_s$ year i$_s$ likely to be more th* year.